

Insurance Commissioner Stewart Announces That Delaware Captives Are On The Rise

Dover, DE—The Delaware Department of Insurance announces today that the final projection for the number of captive licenses the captive bureau anticipates issuing for 2012 and the projected premium tax revenue is on a rise. Steve Kinion, Captives Director for the Delaware Department of Insurance, presented the following data:

- The 2012 additions are 59 captives, 1 cell, and 179 series units. The total number of licenses issued for risk bearing entities will be 212 captive companies, 12 protected cells, and 364 series business units. The total number of captive licenses issued will be 588. Not all of the licenses issued since the adoption of the captive law in 1984 remain active and over the course of time, Delaware has seen 22 captive companies dissolve or re-domesticate, one cell dissolve, and 6 series dissolve.
- Active license numbers are 190 active companies, 11 protected cells, and 358 series business units. The total active captive entity count is 559.
- In 2011 the Bureau added 58 captives, 3 protected cells, and 152 series. The total number of licensed risk bearing entities was 153 captive companies, 11 protected cells, and 185 series business units. The entity total for licenses issued was 349.
- Even though the captive bureau added the \$1,800 series unit application fee, and imposed more stringent regulatory standards in 2012, it was the best year ever for captive growth. The total entity growth rate from

2011 to 2012 is 68%.

- The total captive company growth rate is 38.5%.

Delaware Captive Director, Steve Kinion, stated that ***"This level of growth is unprecedented in the captive insurance world. Considering that when Commissioner Stewart formed the captive bureau in July 2009 there were only 38 captive insurers, we have achieved a 558% growth rate in terms of licensing captive companies, and a 1,500% growth rate in total licensing of captive entities."***

This year's growth may catapult Delaware over Hawaii into being the third largest U.S. captive domicile in terms of active captives behind Utah and Vermont. The forecasted premium tax revenue for 2012 is \$1.5 million compared to the 2011 premium tax amount which was \$1,232,823. The forecasted tax revenue increase from 2011 to 2012 is 21.6%.

Commissioner Stewart is elated with the performance of the Captive Bureau. Although captive insurers will pay their 2012 premium taxes on March 1, 2013 and the exact premium revenue will not be determined until late March or early April Commissioner Stewart believes that the Delaware Department of Insurance is moving in the right direction. Stewart expressed that, ***"Based on the numbers we already have, I am very pleased with the success we have experienced in our captive division. I believe that we will continue to see steady growth in captives and I credit my team at the Department of Insurance for their successful efforts in making Delaware more competitive in this global arena of insurance."***

For more information on Captive Insurance please contact our Bureau of Captive & Financial Insurance Products at (302) 577-5280 or visit our website at: www.delawareinsurance.gov.